

SECOND REGULAR SESSION

# SENATE BILL NO. 709

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CAUTHORN.

Pre-filed December 1, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

3650S.01I

## AN ACT

To repeal section 217.195, RSMo, and to enact in lieu thereof one new section relating to sales taxes on certain items sold by canteens or commissaries.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 217.195, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 217.195, to read as follows:

217.195. 1. With the approval of his division director, the chief  
2 administrative officer of any correctional center operated by the division may  
3 establish and operate a canteen or commissary for the use and benefit of the  
4 offenders.

5 2. Each correctional center shall keep revenues received from the canteen  
6 or commissary established and operated by the correctional center in a separate  
7 account. The acquisition cost of goods sold and other expenses shall be paid from  
8 this account. A minimum amount of money necessary to meet cash flow needs  
9 and current operating expenses may be kept in this account. The remaining  
10 funds from sales of each commissary or canteen shall be deposited monthly in a  
11 special fund to be known as the "Inmate Canteen Fund" which is hereby created  
12 and shall be expended by the appropriate division, for the benefit of the offenders  
13 in the improvement of recreational, religious, or educational services. The  
14 provisions of section 33.080, RSMo, to the contrary notwithstanding, the money  
15 in the inmate canteen fund shall be retained for the purposes specified in this  
16 section and shall not revert or be transferred to general revenue. The department  
17 shall keep accurate records of the source of money deposited in the inmate  
18 canteen fund and shall allocate appropriations from the fund to the appropriate  
19 correctional center.

20 3. The sale of items at canteens established under this section

21 shall be subject to the tax imposed under section 144.020, RSMo. The  
22 sale of food, as such term is defined under section 144.014, RSMo, at  
23 canteens established under this section shall be subject to the tax  
24 established under section 144.014, RSMo.

25 4. Canteen sales of personal hygiene items shall not be subject  
26 to sales tax. Canteen sales of items used in preparation of legal  
27 documents shall not be subject to sales tax.

28 5. The department of corrections shall deposit the revenue from  
29 this sales tax into the inmate canteen fund. For fiscal year 2007, the  
30 department of corrections shall be allocated a portion of the sales tax  
31 revenue in an amount necessary to upgrade the canteen's operations to  
32 provide for sales tax collection and remittance. In each fiscal year,  
33 funds from the sales tax deposits shall be allocated to the department  
34 of corrections to pay the salary and benefit costs of one full-time  
35 employee. Such full-time employee shall be responsible for the  
36 collection and remittance of sales tax under this  
37 section. Notwithstanding any provision of chapter 144, RSMo, to the  
38 contrary, all revenue collected under this section shall be remitted to  
39 the department of revenue on a quarterly basis.

40 6. The effective date for sales tax collection and remittance from  
41 canteens shall be January 1, 2007.

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